File No. 6 (1)
1886.

Collection No.

21-1-47 22.1.47

Residency

Pros. Serial Nos. 1 — 9.

7/11

Subject.

Instructions in regard to the application of the Income Tax Act II of 1886 - Liability to income tax deposits in the local banks

Previous References.

7 80/86

Later References.

S. 97.

SGPI—927—25DCF—6-8-24—25,000.

1886.

RESIDENT'S OFFICE.

FILE No. 611 OF 1886

From The Collector Cand M.S of Bangalore

No. 123

Dated 18th November 1886 Enc. nil

Received 4th — do Spare copies. nil.

Subject.

Instructions by the Resident in regard to the application of the Income Tax Act- II of 1886.

Liability to the Income tax of deposits in Local Banks.

Notes and Orders.

In the above letter the Collector states, that he is informed that there are many people, who have deposited money in Local Banks the interest on which is liable to the tax; but that he does not see how he coned get information any regarding the same (interest), as the act- no where authorizes him to call upon the Banks to furnish the required information.

(Continuation of Note or Precis.)

unless it be held that section 23 does so, which he doubts.

2. Major Maltby therefore requests to be instructed as to how he should obtain the required information.

3. Section 23 of the Act referred to by Major Maltby does not at all apply to the present case It authorizes a trustee, guardian &c (assessed under Part IV), or a Court of Wards, &c (assessed under that part in respect of income officially received) to retain out of the money coming to his or its possession (as trustee, guardian &c or Court of wards &c) so much as is sufficient to pay the amount of assessment.

4. Interests on deposits in Banks are liable to the tax under Part III of the Act. Therefore the Collector should get information regarding them in the same way as he gets information in regard to incomes assessable under that Part.

This appears to me a right view

5 Mr. Grimley, Income tax Commissioner of Bengal, in his note

vide page 24 of Mr. Grimley's manual.

on Section 14 of the Act explains that "the principle of the Act is that persons liable are to be invited by a general "notice to submit a return of their "income to the Collector, and that if "they fail to do so within a stated "time it is open to the Collector to "assess them on such informa- "tion as he has been able to obtain "through the instrumentality "of assessors. Notice of the assess- "ments is given to the persons con- "cerned and a reasonable time is allowed him to object." If as stated above, all persons are invited to submit a return of their incomes, then the Collector will easily know those who have deposited money in Banks. But as this procedure has been objected to by the Resident, the Collector should get the required information as suggested in para 4 of this note (i.e. through the person deputed to ascertain the incomes of those persons liable to the tax under Part-IV

Section 18(b) of Act II of 1886.

Sections 16(3) & 17

Please see para 3 of the note on file No. 558/1886

Please see paras 11 & 17 of the note on file No. 558/1886.

It may here be stated that in almost all ~~the~~ parts of India where the Income tax Act is in operation, all persons are called upon to submit individually a Return of their income.

6 As stated by Major Maltby the Act does not authorize the Collector to call upon the Banks to furnish information regarding the deposits held by them, and the Bengal Govt is of opinion that even the Savings Bank's deposit accounts and money order accounts, in the Post-Office should not be examined to ascertain a person's income, as such examination is of an inquisitorial nature which is opposed to the letter and spirit of the Act. Further para 8 in page 71, and para 7 in page 23 of Mr. Grimley's Income tax Manual lead to the conclusion that Banks should not be asked to furnish a Return of deposits held by them.

Page 57, para 1 & page 65 par 44 — of Mr. Grimley's Manual.

(Continuation of Note or Precis.)

7 Submitted for favour of orders.

S Bramayya.
6/11/86.

8. Mr. Krishna Rao has been consulted in this case.

8/11/86

9. The suggestions and ideas in the Circular cannot but from a common sense point of view. The procedure of getting at the information from the individual seems to be wrong. In England I believe Banks & Agents themselves deduct income tax when crediting the accounts of their constituents and this seems the simplest and surest way of getting at the truth when money is sent at interest: nor does it seem how to be in any way more inquisitorial than inquiring from the individual payee. However the act does not authorize this modus operandi.

Resident 8/11

10 Reply that the Banks cannot be asked to give information as to deposits held by them on interest, and I cannot suggest any special way of getting

information as to each
defaulter. In cases of difficulty
occurs every where in India
in respect of the ~~large~~
~~large~~ ~~taxpayers~~ ~~in large~~
in connection from an estate
or money lent etc in the
case of a man who holds
office which is a large part
of his income.

11 With regard to Paragraph 11 of
the Note we know that in
almost all parts of India
all persons are entitled to
submit returns: I should like
to know his authority: if any
reference is found.

12. With regard to the preceding para,
it is submitted, that it will be
seen from para 5 of this note and
the marginal references opposite
to it, that the returns of Income

(Continuation of Note or Precis.)

referred to by the office, is the one mentioned in Section 18(1)(b) of the Act. Such a return it will be seen from the references quoted below is called for from all persons in almost all parts of India.

Coorg File No. 202 of 1886.

Punjab Rules VIII and IX – Enclosure to Serial No. 2.

Bengal Rule 19(b) – Enclosure to S. No 3.

Assam Rule 16(b) – – do – S. No 6.

N. W. P. & Oudh – Please see para 6 in page 41 of the Pamphlet.

Ajmere – Merwara Rules 5 and 6. – Enclosure to S. No 13.

Madras Rule 6. – page 16 of S. No 16

Coorg Rule 7. – put up below in this file.

Subramanya
13/11/86.

13 I see from the above references that returns under Sec 18(1)(b) have been allowed to be called for by the Rules issued almost everywhere in the case of large towns & municipalities. When Maj. Malby verbally consulted me on the matter and proposed to call generally for returns from all persons liable in the C. & M.S. my

first idea was that it would be advisable to follow that course in the case of all persons of an income estd to be above Rs 2000 but even in the case of incomes estd to be below that figure but above Rs 500, as in the case of persons of such small income the procedure appeared hardly suitable, and the Municipal taxes seemed to afford sufficient information for assessing such persons with income tax

14 Now however I understand the act I understand to mean that (except in Presidency Towns under cl c) the call for returns if made at all must be general.

15 I now see however that in Madras and in Coorg following Madras but nowhere else the act has been interpreted as allowing returns to be called for in specified places other than Presidency Towns not generally from all persons but from persons supposed to have income over Rs 2000, leaving them below to be assessed separately. If I had known at the time that this had been done in Madras I think I should have followed the procedure though I suppose

Serial No: 16 of Coorg
File No: 202/1886.

it appears to me to be outside the powers given by Sec 28.

16 Please note after return to Gazette whether the Madras rule was actually published in this shape as I observe the rules in the file purport to be Draft rules.

17 Please also consult Maj Mackenzie and ask him whether he would recommend at this stage the passing of an additional rule following the Madras & Coorg rule & allowing him to call for returns from all persons whose income is estd above Rs 2000.

18 If such a rule was passed it would be necessary I submit to allow at least a full month for the submission of the returns. after the month the Collector would examine those received and after seeing the assessment in accordance with them, or in case of item of income, would serve the notice of assessment under Sec 17 in the case of persons not submitting returns he would in his assessments but he could not serve notices under Sec 17.

19 Where it is not [illegible]

A letter in procedure as the Collector has probably already issued notices under Sec 17, but I am not sure how the case stands, so it will be well I consult Maj Mallett

17/11/86.

20 Letter to the Collector. C & S. No. 3093/6110 dy. 17. Nov 86. issued.

OR

21. There is nothing now to gain by adopting the procedure laid down in Section 18(1.b) of the Income Tax Act. as I have completed the assessments and issued the notices required under Section 17. I may be well though to give the Collector the power for next year. 19.11.86

(Continuation of Note or Precis.)

22 With reference to para 15 of this note, it is respectfully submitted that it will be seen from the portion marked A in para (5), page 14 of Serial No 16 (Proceedings of the Board of Revenue, Madras) in Coorg file No 202 of 1886, that in Madras, section 18 (1) (b) of the Income tax Act appears not to have been interpreted as allowing the Returns of income therein referred to, to be called for only from persons whose incomes are supposed to be over Rs 2000, but that as the Tahsildars & Deputy Tahsildars assess persons whose incomes are below 2000 Rs. per annum, in that Residency the returns in question have been dispensed with in their case, presumably in the exercise of the discretionary powers vested in Local Govts in para 6 of letter No 595, dated 5th February 1886. from the Govt of India in the Foreign Deptt. Coorg merely followed the rule as issued by the Madras Govt. In the C & M.S. as the whole assessment is made by the Collector it is a point for consideration whether the returns may not be called for from all persons. The Collector has not stated (with reference to para 13 of the note) whether the Municipal taxes afford sufficient information in regard to persons

page 1 of S. No 16 in Coorg file No 202/1886.

whose incomes are supposed to be below Rs 2000 per annum.

23 As regards para 16 of this note, it is submitted that the Madras draft rule 6 (in page 16 of Serial No 16 in Conf. file No 202 of 1886) was published in the Fort St George Gazette of 31st March 1886, without any alteration whatever. put up below

Subramanya.
22/11/86.

24. Since the publication of the above, the following notification has appeared in the Fort St George Gazette of the 26th Oct 86. put up below.

Oct 12th 1886.

"No 376 – Under Section 18(1)(b) of the Income Tax Act, 1886, the Hon: the Governor in Council authorizes the Collector of Tanjore to cause a general notice to be published in the undermentioned villages, inviting every person chargeable under Part IV to deliver a return of his income in form K."

× × ×

25 From the above it will be seen that in a part of the Tanjore District the return is now called for from every person even though his income is below Rs 2000 per annum.

Subramanya.
22/11/86

26 May be submitted to Residents Chamberlain's office for favourable visit SM

22

(Continuation of Note or Precis.)

27 This too late a date on wh[ich] [illegible] for this year, but the question will have to be considered for next year after the decisions arrived in this year's appointments. The Agent Resident will be in a position to advise as to will have heard appeals against appointments

8/12/86. [illegible]

28 This question seems to be both of - & the papers should be produced in time before the [illegible] of instructions, should any be necessary. [illegible] for [illegible] comments

VDC

12/12/86

29 In view of the approaching termination of the Official year it seems to be desirable that the point herein involved should be settled. I can see no objection to the Collectors issuing general orders

day about the 15th April calling on
to the Exr under Part IV
all persons assessable under Rating
to give in a return of their incomes —
forms might be supplied by the Clerk
on application — the form of notice
might be form R. (q.v.) — He will have to Consq from 3rd Sept
necessary to issue the notice calling for
inspection all books or sources of
income to determine whether a person
is assessable; the amount of income under
Part IV is a matter governing practically
the whole thing if the income is 400£
under Part IV & 100£ under Part I
the 100£ under Part I would be taxable
but under the 400£ under Part IV

(Continuation of Note or Precis.)

whilst an income under 500/- p.a.
under Part I alone would be
taxable -

30 in that I have only decided 3 appeals -
In 2 of them I reduced the assessment & in
one I declined either to do for the
record or to intervene as the assessment was
under 250/- & the Collector's reasons for
assent: seemed sufficient -

31. Then are 5 appeal cases now pending
to pass) how I am to get the work
most conveniently: the inf: on which it is
necessary to base a judgment is frequently
documentary, verbal testimony cannot be relied upon
and personal appearance of the witnesses
at all or their books are untrustworthy -
In course of time, if the tax is maintained

greater precision may be attained
for the present all we can hope to
learn is an empty approximate average.

D.R.

3 3/87

Rest

Bonn may be given to the collector
for necessary work for return
for with persons

4 3/87

Notification issued to the Publisher of the Gazette of India. Ct. 867 dt 16 March/87 & a copy of the same to the Collector of the Act Notification. No 868/16 dt 16-3-87
D.R.

No 123

Collector's Office
Land & Military Station
Bangalore 1st November 1886.

OFFICE of the
3598
RESIDENT IN M.Y.S.

To.

The Assistant to the Resident
in Mysore
Bangalore

Sir,

I have the honor to request the instructions of the Resident on the following point connected with the working of the Income Tax Act.

2 There are I am informed many people who deposit money in the local Banks on interest.

3 These monies should of course be taxed but I do not see how I am to get the necessary information about them as I can no where find in the Act that I may call on the Banks for the information, unless it is held that section 23 authorizes me to do

so

to which I doubt.

I have the honor to be
Sir,
Your most obedient servt
[illegible]
Collector

15

No. 3093/6116 Dated 17th Nov 1886.

The Collector C. & M. Station
Bangalore

I am directed to acknowledge the receipt of
S. No 1. your letter No. 123 dated the 13th Nov. 86 in-
quiring in what manner you should
obtain for the purposes of the Income Tax
Act information regarding money at
interest in Banks.

2. In reply I am to say that in the
Govt's opinion the Banks cannot be
asked to give information as to deposits
held by them on interest and he is
unable to suggest any special way of getting
~~such~~ information as to such deposits.
The same difficulty, I am to add, occurs
every where in India in respect to the
income derived from interest on money

lent which in the case of many rich people of the country is a large part of their income.

Sincerely

EHJ

Asst. President

13

THE RESIDENT IN MYSORE.

NOTIFICATION

Bangalore, dated 16th March 1887.

No. 867—6116. Under Section 18 (1) (b) of Act II of 1886, the Income Tax Act, the Resident in Mysore is pleased to authorize the Collector of the Civil and Military Station of Bangalore to publish a general notice, inviting every person whose income is not below Rs. 500 per annum to submit a return of his income in the form appended to the notice. The date to be specified in the notice as that before which the return should be made shall be a date not less than thirty days from that on which the notice is published.

2. The returns should be treated as confidential communications, and should remain in the special custody of the assessing officer or of a responsible subordinate.

3. The form of Notice alluded to is hereto appended.

"By order"

D. R. Mill Major.

Assistant to the Resident.

To

The Publisher Gazette of India. for publication in Part-II of the Gazette.

No. 868 / 6116.

Copy with 20 spare copies, forwarded to the Collector &c &c of Bangalore for information & guidance. By order.

Asst to the Resident

INSTRUCTIONS.

1. In column 3 should be entered in detail every separate source of income accruing and arising in the Civil and Military Station, salaries, pensions, annuities and gratuities are chargeable under Part I, interest on Government and other securities under Part III and other sources of income including the rental value of buildings occupied by owners calculated under section 24 are chargeable under Part IV of Schedule II of the Act.

2. In column 4 should be entered the income accruing and arising during the year ending on the day on which the parties' accounts have been last made up, or if the parties' accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the 31st day of March.

3. Against the gross receipts no deductions should be made on account of disbursements or expenses not wholly and exclusively incurred in respect of the profits returned, nor on account of any public or local rates, cesses, or taxes, nor on account of the maintenance of the person himself or his family or domestic establishment.

4. Deductions from the gross receipts may be allowed on account of the following items.

(*a*). In the case of trades or professions.

(1). Sums expended in the repairs of implements, utensils, or articles used solely for the purpose of the profession or trade.

(2). Sums expended for insuring or keeping insured the buildings, machinery, implements, and stock used for the purposes of the profession or trade, and the rent paid for any premises used for such profession or trade provided that, if such premises shall not have been exclusively used for such profession or trade, a fair proportion only of such rent shall be deducted from the gross receipts.

(3). Ten per cent on the rack-rent of such premises on account of repairs if such repairs are at the cost of the party whether it has or has not been actually expended during the year of assessment.

(4). Sums expended in the payment of persons employed solely in such profession or trade.

(5). The amount of any losses of the stock in trade. The excess loss sustained in any one or more professions or trades over and above the profits thereof may be set against the excess profits of any other profession or trade exercised by the same party.

(6). The amount of any bad debts for the first time ascertained and written off as such during the year.

(7). Interest paid on money borrowed for the purpose of the trade or profession.

(*b*). In the case of income from houses.

(1). Any rent paid on account of such houses, but not taxes or local rates or cesses.

(2). Sums expended for insuring and keeping insured such houses.

(3). Ten per cent, on the rack-rent of the houses on account of repairs if such repairs are at the cost of the party whether such amount has or has not been actually expended, during the year of assessment.

(4). Sums expended in collecting the rent not exceeding 6 per cent of the gross rental.

(5). Annual interest payable to a mortgagee not in possession.

(*c*). In the case of buildings owned and occupied by the party within the meaning of section 24 of the Act, one-sixth of the gross annual rent at which they may be reasonably expected to let, and in the case of dwelling houses may be expected to let unfurnished provided that were five-sixths of the gross rental of such buildings exceeds 10 per cent of the income of the party from all sources, a further deduction shall be made equal in amount to the excess.

(*d*). In the case of salaries, pensions annuities or gratuities, such portion not exceeding one-sixth of the income, as is deducted for the purpose of securing a deferred annuity to him or, a provision to his wife or children after his death, or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life or on that of his wife.

Residency Press,—12-3-37.—75.

No. C$\frac{1}{3}$ of 1886.

The Chief Commissioner of Coorg.

NOTIFICATION.

Camp Mysore, Dated 11th March 1886.

In accordance with the provisions of Section 40 of Act II of 1886 for imposing a tax on income, derived from sources other than agriculture, the Officiating Chief Commissioner of Coorg is pleased to direct that the 2nd Assistant Commissioner shall exercise and perform all the powers conferred by the Act on the Collector in respect of all incomes chargeable under part IV of Schedule II of the Act and he is further pleased to appoint the Commissioner of Coorg to exercise the powers imposed by the Act upon the Commissioner of Division in all such cases.

2. It is also directed under the aforesaid Section 40, that the Subedars of Taluks shall within their respective Taluks, exercise the powers conferred on the Collector for the purpose of granting receipts as provided in Section 32 of the Act.

3. The Officiating Chief Commissioner directs under Section 30, sub-section 2 of the Act, that the provisions of the Coorg Revenue Regulation No. 3 of 1880, be applicable for the recovery of the tax chargeable under Act 2 of the 1886, in cases of default.

"By Order"
J. H. NEWILL,
Secretary.

THE CHIEF COMMISSIONER OF COORG.

NOTIFICATION.

Bangalore, Dated 15th May 1886.

No 31.

In the exercise of the Powers delegated to him by the Governor-General in Council under Act II of 1886, and Notification by the Government of India in the Department of Finance and Commerce No. 593 dated 5th February, 1886, the Officiating Chief Commissioner of Coorg is pleased to sanction the following rules under the said Act.

1. In accordance with the provisions of section 9 sub-section 2, the Collector may engage with any Company, Association, or persons willing to undertake the collection of the tax payable by their employes, pensioners &c., to pay a commission as remuneration at such rate as may seem suitable according to the circumstances of each case, not exceeding 5 per cent of the collections. The tax payable to Government minus such commission as may be agreed upon, shall be remitted within a week to the Treasury Officer or other Officer authorized to receive it, accompanied by a statement showing the following particulars :—

1. Name of person from whom the tax has been collected.
2. Amount of salary, pension, annuity or gratuity on which the tax has been assessed.
3. Amount of tax.
4. Amount of commission deducted.
5. Balance remitted to the Collector.

2. The Annual return of income, to be submitted by Companies under section 11 of the Act, shall be in Form E annexed to these Rules, and the notice to be served on them under section 12, sub-section (1), shall be in Form F.

3. The list and notification referred to in section 16 of the Act shall be prepared in Form G in English and in Canarese, and copies thereof shall be posted on the walls of the assessing Officers Cutcherry and shall be published in the District Gazette. An extract from the list in Canarese shall further be published in each town or village to which such extract relates and in the principal bazaars, Cutcherries or other places of public resort in the neighbourhood.

4. The special notice to be served on persons assessed under section 17 of the Act, shall be in Form H.

5. All persons whose vernacular is English shall be served with a notice under section 17 instead of being included in a list under section 16.

[redacted] the Act within [redacted] a general notice in Form K. inviting all persons whose incomes are not below Rs. 2,000 to submit returns of their incomes under section 18 sub-section (1) clause (*b*).

The Return submitted in pursuance of the aforesaid notice should be in the Form thereto appended. The date to be specified in the notice as that before which the return should be made shall be a date not less than thirty days from that on which the notice is published. The returns should be treated as confidential communications, and should remain in the special custody of the assessing officers or of their responsible subordinates.

8. The notice to furnish information of lodgers and employe's to be issued under section 41 shall be in Form M.

9. The notices to be issued under the provisions of sections 42 and 43 to trustees, agents &c., (1) to furnish information regarding the names of beneficiaries and principals, and (2) to submit returns of income, shall be in Form, N. and O respectively, and should be made returnable within thirty days.

10. Although an officer exercising the powers of a Commissioner of Division is not legally bound, under section 27 of the Act, to entertain a petition for revision of assessment where the amount of the assessment is less than 250 it is nevertheless the duty of such officer carefully to scrutinize the assessments made by his subordinate officers, and, if a complaint of over assessment is made to him, to grant such redress as he may consider to be called for.

11. The amount assessed under part IV schedule II of the Act may be paid in one sum.

12. The receipt referred to in section 32 of the Act will be in Form P.

13. The powers of the Local Government to declare under section 47 which of several places of business or residence shall be considered to be the principal place of business or residence for the purposes of the Act, are hereby delegated to the Commissioner of Coorg.

14. Return No. I to be furnished by the Comptroller under Rule 8, and Return No. II to be furnished by the Comptroller under Rule 14, of the Government of India's Rules dated February 5, 1886, shall be forwarded to the Chief Commissioner's Office.

15. The Commissioner of Coorg shall submit to the Chief Commissioner of Coorg monthly statements of Income-Tax collections in Form Q and Q (1) or in such other Form as may be prescribed in that behalf by the Chief Commissioner of Coorg.

16. Registers shall be kept by the Collector and the Commissioner in Forms noted below :—

Registers 1, 1A., 2, 3, 3A., 3B., and 4 by the Collector.

Registers 5 by the Commissioner of Coorg.

17. The Commissioner of Coorg shall submit to the Chief Commissioner at the end of each year a full report on the working of the Act accompanied by the necessary Returns and a statement showing the number of prosecutions under the Act in Form R.

18. The following is prescribed regarding composition for the tax under section 31 of the Act.

(1) Any person who is desirous of compounding shall apply to the Collector for composition before his assessment has been enjoined by the Collector.

(2) The period for composition shall not exceed 3 years.

~~(3) The sum compounded for shall not involve a deduction of more than 10 per cent on the assessment which the Collector would otherwise be prepared to impose.~~

(3) The composition allowed by the Collector shall be subject to the sanction of the Commissioner.

(4) The contract of composition shall cease to have force on the death, bankruptcy or insolvency of the person entering into the contract, except as regards payment on account of composition already due.

(5) Fraud on the part of the person entering into the contract in stating his income or otherwise shall render the contract void.

"By Order."

B. G. LOVERY,

For Secretary.

Form E.

Annual Return of Net Profits to be delivered by the Principal Officer of a Company under Section 11.

Form E.

Annual Return of Net Profits to be delivered by the Principal Officer of a Company under Section II.

1	2	2	4	5
Name of Company	Place of business.	Source of income.	Amount of income derived from each of these courses, mentioning the period during which the income from each source has been derived.	REMARKS

Subscription.

I, do declare that the income stated in this return is truly estimated on all the sources of income therein mentioned, that it has actually accrued within the period stated, and that the company has no other sources of income.

See Instruction on reverse.

1. If the company making the return has several places of business, they should all be mentioned in column 2, the principal place of business being specified.

2. In column 3 should be entered in detail every separate source of income accruing and arising in British India.

3. In column 4 should be entered the income accruing and arising during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the 31st day of March.

4. Against the gross receipts no deductions should be made on account of disbursements or expenses not wholly and exclusively incurred in respect of the profits returned, nor on account of any public or local rates, cesses, or taxes.

5. Deductions from the gross receipts may be allowed on account of the following items.

(*a*) In the case of trades or professions.

(1) Sums expended in the repairs of impliments, utensils, or article used solely for the purpose of the profession or trade.

(2) Sums expended for insuring or keeping insured the buildings, machinery, implements, and stock used for the purposes of the profession or trade, and the rent paid for any premises used for such profession or trade. provided that, if such premises shall not have been exclusively used for such profession or trade, a fair proportion only of such rent shall be deducted from the gross receipts.

(3) Ten per cent on the rack-rent of such premises on account of repairs if such repairs are at the cost of the company whether it has or has not been actually expended during the year of assessment.

(4) Sums expended in the payment of persons employed solely in such profession or trade.

(5.) The amount of any losses of the stock in trade. The excess loss sustained in any one or more professions or trades over and above the profits thereof may be set against the excess profits of any other profession or trade exercised by the same company.

(6) The amount of any bad debts for the first time ascertained and written off as such during the year.

(7) Interest paid on money borrowed for the purpose of the trade or profession.

(*b*) In the case of income from houses.

(1) Any rent paid on account of such houses, but not taxes or local rates or cesses.

(2) Sums expended for insuring and keeping insured such houses.

(3) Ten per cent, on the rack-rent of the houses on account of repairs if such repairs are at the cost of the company, whether such amount has or has not been actually expended, during the year of assessment.

(4) Sums expended in collecting the rent not exceeding 6 per cent of the gross rental.

(5) Annual interest payable to a mortgagee not in possession.

(*c*) In the case of buildings owned and occupied by the company within the meaning of section 24of the Act one-sixth of the gross annual rent at which they may be reasonably expected to let and in the case of dwelling houses may be expected to let, unfurnished, provided that were five sixths of the gross rental of such buildings exceeds 10 per cent of the income of the company from all sources, a further deduction shall be made equal in amount to the excess.

No.

of Act I

produce

before th

Section

Form F.

Notice under Section 12, *Sub-section* (1) *of the Act.*

No.

Dated

To

With a view to test the correctness of the return furnished by you under section II of Act II of 1886 for the year ending you are required hereby to produce or cause to be produced for the inspection of the undersigned at on or before the following documents:

{ *Here specify the documents.* }.

If you fail to comply with this notice, you will be dealt with according to law Section 34 of the Act.

Collector.

Form G.

Notice under Section 16.

Under the provisions of Section 16 of Act II of 1886, it is hereby notified that the persons whose names are entered in the subjoined list and whose incomes are estimated not to exceed Rupees 2,000 have been assessed at the amounts shewn against each for the income tax under Part IV of the Schedule II annexed to the Act for the year ending 31st March 188

2. Every person whose name is entered in the list is hereby required either to pay the amount of assessment within sixty days from or to apply to the undersigned within thirty days from the aforesaid date to have the assessment reduced or cancelled.

List of persons assessed under Part IV, Schedule II, of Act II of 1886 *on incomes below Rupees* 2,000 *but not below Rupees* 500 *per annum for the year ending* 31*st March* 188

1	2	3	4	5	
Names of persons assessed.	The sources of income in respect of which tax has been assessed.	The place or places, district or districts where the income accrues.	The amount of income assessed.	The amount of tax imposed.	

Form H.

Notice under Section 17 *of Act II of* 1886,

No.

Date,

To

Residing at

You are hereby required to take notice that you have been assessed under Part IV, Schedule II, annexed to Act II of 1886 for the year ending according to the particulars specified below, and that you should either pay the amount of assessment within sixty days from or to apply to the undersigned within thirty days from the aforesaid date to reduce or cancel the assessment.

1	2	3	4	
Source or sources of Income assessed.	Place or places, district or districts in which the income accrues	Amount of income assessed	Amount of tax payable.	

Form K.

Notification under Section 18, *Sub-section* (1) *Clause* (b) *of Act II of* 1886.

All persons resident or carrying on business in [illegible] whose incomes are not below Rupees 2,000 per annum are hereby required to prepare under their signature true returns of their incomes in the form subjoined and in accordance with the instructions attached thereto and deliver them at the office of on or before

2. Persons who fail to comply with the above requisition will be dealt with according to law.

1	2	3	4	5
Name of person.	Place of business.	Sources of income specifying separately those chargeable under Parts I, II, III, & IV of Schedule II of the Act & the number of shares in such income and the names of sharers.	Amount of income derived from each of these sources, mentioning the period during which the income from each source has been derived.	REMARKS.

I do declare that the income shewn in this return is truly estimated on all the sources therein mentioned, that it has actually accrued within the period therein stated and that I have no other source of income.

Form K.

Instruction.

1. If the company making the return has several places of business, they should all be mentioned in column 2, the principal place of business being specified.

2. In column 3 should be entered in detail every separate source of income accruing and arising in British India, salaries, pensions annuities, and gratiuties are chargeable under Part I, interest on Government and other securities under Part III and other sources of income including the rental value of buildings occupied by owners calculated under section 24 are chargeable under Part IV of Schedule II of the Act.

3. In column 4 should be entered the income accruing and arising during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the 31st day of March.

4. Against the gross receipts no deductions should be made on account of disbursements or expenses not wholly and exclusively incurred in respect of the profits returned, nor on account of any public or local rates, cesses, or taxes " Nor on account of the maintenance of the person himself or his family or domestic establishment.

5. Deductions from the gross receipts may be allowed on account of the following items.

(*a*) In the case of trades or professions.

(1) Sums expended in the repairs of impliments, utensils, or article used solely for the purpose of the profession or trade.

(2) Sums expended for insuring or keeping insured the buildings, machinery, implements, and stock used for the purposes of the profession or trade, and the rent paid for any premises used for such profession or trade, provided that, if such premises shall not have been exclusively used for such profession or trade, a fair proportion only of such rent shall be deducted from the gross receipts.

(3) Ten per cent on the rack-rent of such premises on account of repairs if such repairs are at the cost of the company whether it has or has not been actually expended during the year of assessment.

(4) Sums expended in the payment of persons employed solely in such profession or trade.

(5.) The amount of any losses of the stock in trade. The excess loss sustained in any one or more professions or trades over and above the profits thereof may be set against the excess profits of any other profession or trade exercised by the same company.

(6) The amount of any bad debts for the first time ascertained and written off as such during the year.

(7) Interest paid on money borrowed for the purpose of the trade or profession.

(*b*) In the case of income from houses.

(1) Any rent paid on account of such houses, but not taxes or local rates or casses..

(2) Sums expended for insuring and keeping insured such houses.

(3) Ten per cent, on the rack-rent of the houses on account of repairs if such repairs are at the cost of the company, whether such amount has or has not been actually expended, during the year of assessment.

(4) Sums expended in collecting the rent not exceeding 6 per cent of the gross rental.

(5) – Annual interest payable to a mortgagee not in possession.

(*c*) In the case of buildings owned and occupied by the company within the meaning of section 24of the Act one-sixth of the gross annual rent at which they may be reasonably expected to let and in the case of dwelling houses may be expected to let, unfurnished, provided that were five sixths of the gross rental of such buildings exceeds 10 per cent of the income of the company from all sources, a further deduction shall be made equal in amount to the excess.

(*d*) In the case of salaries, pensions annuities or gratiuties, such portion not exceeding one-sixth of the inlome, as is deducted for the purpose of securing a deferred annuity to him or, a provision to his wife or children after his death or is paid by the person to an insurance company in respect of an insurance or defered annuity or his own life or on that of his wife.

Form M.

Notice under Section 41 of Act II of 1886.

No.

Date

You are hereby required to deliver to at on or before a list in the form accompanying containing, to the best of your belief, the names of lodgers or inmates resident in your dwelling house, or in buildings let by you in lodgings, and of any other persons receiving salary or emoluments amounting to forty one rupees, ten annas and eight pies, per mensem or five hundred rupees per annum or upwards employed in your service, whether resident in such house or not , and the place of residence of such of them as are not resident in such house and also of any such lodger or inmate who has any ordinary place of residence elsewhere at which he is liable under the Act to be assessed and who desires to be so assessed at such place.

Collector

Form of list of lodgers, Inmates and employes returned under Section 41 of Act II of 1886.

Name of person making the return

Residence

1	2	3	4	5
Name.	Whether lodged, inmate or employe.	Residence, if different from the above.	State here at what residence he desires to be assessed	REMARKS.

Dated the

(Signature of the person making the return)

(Signature of the person making the return)

Form N.

Notice under Section 42 of Act II of 1886.

No.

Date

To.

You are hereby required to deliver or cause to be delivered to the undersigned on or before the day of next a statement in the annexed form of the name or names of the person or persons if any for of which you are *trustee, guardian, curator, committee or agent.*

Failure to deliver this return or the delivery of the false return will render you liable to the penalty provided in Sections 176 and 177 of a Indian Penal Code.

Collector.

1	2	3	4
Name of Trustee, Guardian Curator, Committee or agent.	Whether trustee, guardian or agent.	Name of persons if any for whom he is trustee.	REMARKS.

Form 0.

Notice under Section 43 of Act II of 1886.

No

Date

To

You are hereby required to duly fill in, in accordance with the instructions on the reverse and to sign and deliver at on or before a return of income officially in your possession or control as trustee, guardian, curator, committee, or agent, or as Court of Wards, Administrator General, or official trustee on behalf of.

1	2	3	4	5
Name of person.	Place of business.	Sources of income specifying separately those chargeable under Parts I, II, III, & IV of Schedule II of the Act & the number of shares in such income and the names of sharers.	Amount of income derived from each of these sources, mentioning the period during which the income from each source has been derived.	Remarks.

I do declare that the income [illegible]

accrued within [illegible]

Form 0.

Instruction.

1. If the company making the return has several places of business, they should all be mentioned in column 2, the principal place of business being specified.

2. In column 3 should be entered in detail every separate source of income accruing and arising in British India, salaries, pensions annuities, and gratiuties are chargeable under Part I, interest on Government and other securities under Part III and other sources of income including the rental value of buildings occupied by owners calculated under section 2 are chargeable under Part IV of Schedule II of the Act.

3. In column 4 should be entered the income accruing and arising during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the 31st day of March.

Signature.

4. Against the gross receipts no deductions should be made on account of disbursements or expenses not wholly and exclusively incurred in respect of the profits returned, nor on account of any public or local rates, cesses, or taxes " Nor on account of the maintenance of the person himself or his family or domestic establishment.

5. Deductions from the gross receipts may be allowed on account of the following items.

(*a*) In the case of trades or professions.

(1) Sums expended in the repairs of impliments, utensils, or article used solely for the purpose of the profession or trade.

(2) Sums expended for insuring or keeping insured the buildings, machinery, implements, and stock used for the purposes of the profession or trade, and the rent paid for any premises used for such profession or trade provided that, if such premises shall not have been exclusively used for such profession or trade, a fair proportion only of such rent shall be deducted from the gross receipts.

(3) Ten per cent on the rack-rent of such premises on account of repairs if such repairs are at the cost of the company whether it has or has not been actually expended during the year of assessment.

(4) Sums expended in the payment of persons employed solely in such profession or trade.

(5.) The amount of any losses of the stock in trade. The excess loss sustained in any one or more professions or trades over and above the profits thereof may be set against the excess profits of any other profession or trade exercised by the same company.

(6) The amount of any bad debts for the first time ascertained and written off as such during the year.

(7) Interest paid on money borrowed for the purpose of the trade or profession.

(*b*) In the case of income from houses.

(1) Any rent paid on account of such houses, but not taxes or local rates or casses.

(2) Sums expended for insuring and keeping insured such houses.

(3) Ten per cent, on the rack-rent of the houses on account of repairs if such repairs are at the cost of the company, whether such amount has or has not been actually expended, during the year of assessment.

(4) Sums expended in collecting the rent not exceeding 6 per cent of the gross rental.

(5) Annual interest payable to a mortgagee not in possession.

(*c*) In the case of buildings owned and occupied by the company within the meaning of section 24of the Act one-sixth of the gross annual rent at which they may be reasonably expected to let and in the case of dwelling houses may be expected to let, unfurnished, provided that were five sixths of the gross rental of such buildings exceeds 10 per cent of the income of the company from all sources, a further deduction shall be made equal in amount to the excess.

Dated

(*d*) In the case of salaries, pensions annuities or gratiuties, such portion not exceeding one-sixth of the income, as is deducted for the purpose of securing a deferred annuity to him or, a provision to his wife or children after his death or is paid by the person to an insurance company in respect of an insurance or defered annuity or his own life or on that of his wife.

Form O.

REGISTER 1. *of Assessment under Part IV, Schedule II, Act II, of* 1886.

1	2	3	4	5	6	7	8	9	10	11	12
No. of case.	Dated of publication of notice under section 16, or service of notice under section 17.	Name and residence of person on whom served.	Date of publication or service of notice under Section (8) sub-section (1) clause (b)	Source or sources of income.	Place or places, district or districts where income arises or accrues.	Amount of income income estimated under section 15.	Amount of duty payable thereon.	Amount of duty finally assessed under Section 27.	Amount of refund if any under Section 26.	Amount of abatement under Section 33.	REMARKS.

Form 0.

REGISTER 1 A. *Assessment of Companies.*

1	2	3	4	5	6	7	8	9	10	11	12
No. of case.	Date of publication of notice under Section 16, or service of notice under Section 17	Name and residence of person on whom served.	Date of publication or service of notice under Section (8) sub-section (1), clause (b).	Source or sources of income.	Place or places districts or districts where income arises or accrues.	Amount of income estimated under Section 15	Amount of duty payable thereon.	Amount of duty finally assessed under Section 26.	Amount of refund if any, under Section 27	Amount of abatement under section 33.	REMARKS.

Form 0.

REGISTER 2. Of petitions of objection under Section 25.

1	2	3	4	5	6	7
No.	Date of petition.	Name and residence of petitioner, with number & register of assessment.	Purport of petition.	No of persons summoned under section 28	Decision with grounds and date	REMARKS.

Form 0.

REGISTER 3. Of proceedings against defaulters under the Civil Procedure Code.

1	2	3	4	5	6	7	8
Consecutive No.	No. of case in register of assessment.	Name of defaulter and amount of default.	Date of order for recovery and amount to be recovered.	Date and nature of each process issued.	Amount of duty recovered and date of recovery	Amount of costs recovered and date of recovery	REMARKS.

Form 0.

REGISTER 3 A. *Of proceedings against defaulters under Land Revenue Law.*

1	2	3	4	5.	6	6	8
Consecutive No.	No. case in register of assessment.	Name of defaulter and amount of defaulter	Date of order for recovery and amount to be recoverd.	Date and nature of each process issued.	Amount of duty recoverd and date of recovery	Amount of costss recovered and date of recovery.	REMARKS.

Form 0.

REGISTER 3. *B Of proceedings against defaulters under law for the recovery of Municipal taxes.*

1	2.	3	4	5	6	7	8
Consecutive No.	No. of case in register of assessment.	Name of defaulter and amount of default.	Date of order for recovery and amount to be recovered.	Date and nature of each process issued.	Amount of duty recovered and date of recovery	Amount of costs recovered and date of recovery.	REMARKS.

Form 0.

REGISTER 4. Of Servants, Pensioners, and Annuitants of Companies &c., assessed under part I of Schedule II of Act II of 1886.

Name	2	3			4	5			6	7			8	9			10	11	
	Office (employment)	Deductions made from salary for.			Total for three months.	Deductions made from salary for.			Total for three months.	Deductions made from salary for.			Total for three months.	Deductions made from salary for.			Total for three months.	Total for the year.	
		March 188	April 188	May 188		June 188	July 188	August 188		September 188	October 188	November 188		December 188	January 188	February 188			

Form U.

REGISTER 5. Revision of Assessment by Commissioner under Section 27.

orm 0.

REGISTER 5. Revision of Assessment by Commissioner under Section 27.

1	2	3	4	5	6	7	8	9	10
No.	Date of petition.	Name of petitioner	Name of assessing officers & date of his order	Amount of assessment.	Purport of petition.	No of persons summoned under section 28.	Decision with its grounds	Refund or reduction if any ordered	REMARKS

Form P.

Form of Receipt under section 32 *of Act II of* 1886,

No. Date

Received from the sum of Rupees being the amount of duty assessed on under Act II of 1886 according to the particulars specified below.

1	2	3	4	5	6	
Source or sources of estimated income	Place or places district or districts where the income arises	Amount of income assessed	Year or portion of the year for which duty is payable	Amount of duty payable including penalty if any	Date of payment	

Collector of Incometax.

Form P.

Form of Receipt under section 32, *Act II of* 1886,

No. Date

Received from the sum of Rupees being the amount of duty assessed on under Act II of 1886 according to the particulars specified below.

1	2	3	4	5	6	
Source of sources of estimated income	Place or places district or districts where the income arises.	Amount of income assessed	Year or portion of the year for which duty is payable	Amount of duty payable including penalty if any	Date of payment	

Collector of Incometax.

Monthly statement of Incometax Collections under Part IV of Schedule II.

1	2	3	4	5	6.	7			
							Refunds		
Classs in Part IV of Schedule II.	No of persons taxed.	Amount fixed by assessing officer after hearing objections under Sec. 25.	Reduction on revision by Commissioner under Sec. 27.	Net amount charged.	Amount collected	Penalties imposed and collected.	Allowed on revision by Commissioner.	Allowed as abatement in assessment under sec. 33.	Total.

Form Q 1.

Monthly statement of Collections of Income-tax charged under Parts I, II, III, and IV of Schedule of Act II of 1886

1	2	3		4				5		6		7		8		9	10	11	12	13	14
Class.	Amount of income.	Salaries, pensions, annuities & gratuities paid by local authorities		Salaries &c., paid by companies public bodies, associations & private employers.				Profits of companies.		Other sources of income.		Total collection of tax				Penalties by Collector.	Fines by Magistrate.	Total of 7, 9, & 10.	Refunds.	Net collections.	REMARKS.
				Tax levied under.																	
				Section 9 (1)		Section 9 (2)															
		No of assessee	Amount of tax.	No of assessees.	Amount of tax.	No of assessees.	Amount of tax.	No of assessees	Amount of tax.	No of assessees.	Amount of tax.	No of assessees	Amount of tax.								
	Rs. Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	
I	500 but less than 750																				
II	750 „ 1,000																				
III	1,000 „ 1,250																				
VI	1,250 „ 1,500																				
V	1,500 „ 1,750																				
VI	1,750 „ 2,000																				
	Total I to VI...																				
VII	2,000 „ 2,500																				
VIII	2,500 „ 5,000																				
IX	5,000 „ 10,000																				
X	10,000 „ 20,000																				
XI	20,000 „ 30,000																				
XII	30,000 „ 40,000																				
XIII	40,000 „ 50,000																				
XIV	50,000 „ 100,000																				
XV	100,000 and more.																				
	Total VII to XV...																				
	Total...																				

Statement shewing the Number of Poscecutions under Act II of [redacted]

1	2	3	4	5	6	7	8
Nature of the offence and the section under which punishable.	No of case	No of persons prosecuted	No of persons acquitted	No of persons convicted	Amount of fines imposed	Amount of fines recovered	Amount of fines remitted by Commissioner under Sec. 34 sub-Section 2

N. B.—The above particulars should be given for the offence mentioned in section 35 as well as the offences mentioned in Section 34. In the case of offences under section 35, a foot note should be added shewing the number of convicted persons who were sentenced to undergo imprisonment for periods.

Not exceeding one month.
More than one month but less than six months
Above six months.

The Resident in Mysore.

Notification.

Bangalore Dated 16th March 1887.

No. $\frac{867}{6116}$

Under section 18(1)(b) of Act-II of 1886,-the Income Tax Act- the Resident in Mysore is pleased to authorize the Collector of the Civil and Military Station of Bangalore to publish a general notice, inviting every person whose income is not below Rs 500 per annum to submit a return of his income in the form appended to the notice. The date to be specified in the notice as that before which the return should be made shall be a date not less than thirty days from that on which the notice is published. The returns should be treated as confidential communications, and should remain in the Special Custody of the Assessing Officer or of a responsible subordinate.

3. The notice shall be in form I hereto appended.

By order.

Asst to the Resident.

7/3/87. H.L. 9/3/87.

RESIDENT'S OFFICE.

8

Serial No. 1

[D R A F T .]—For approval.

No. 1077/616 2 3.

Dated 2 April 1887.

To

The Secretary to the
Govt of India
in the Department of Finance & Commerce

Sir,

5. 65 in file 80/1886

In continuation of letter No. 2344/806, dated 17th August 1886. from this office. I am directed to forward 3 copies of a rule issued by ~~the Resolution~~ ~~Myore~~ under Section 18(1)(b) of Act II of 1886,- The Income Tax Act-.

Serial 3.

I have &c.

Asst. to the Resident.

C.H.S.
29/3/87.

7.

Serial No. 5

RESIDENT'S OFFICE.

[DRAFT.]—For approval.

No. 1076/6116 Ex 3

Dated 2 ~~March~~ April 1887.

To

The Secretary to the
Government of India.
in the Foreign Deptt.

Sir.

5-67 in file 80/1886.

In continuation of letter No. 2373/806 dated 20th August 1886. from this office. I have the honor to forward 3 copies of a rule issued by Mr. Lyall under Section 18(1)(b) of Act II. of 1886.- The Income Tax Act - and to state that 3 copies of the rule have also been forwarded to the Government of India in the Department of Finance and Commerce.

Serial 3.

I have &c.

C.H.S.
29/3/87.

Offg. Resident.

6

No. 1078-90
6116.

From

MAJOR DONALD ROBERTSON,
ASSISTANT TO THE RESIDENT IN MYSORE.

To

Please see reverse.

Dated Bangalore, 2? April / March 1887

Sir,

In accordance with the instructions contained in paragraph 6 of the letter from the Government of India, in the Department of Finance and Commerce, No. 595 dated 5th February 1886, I am directed to forward the accompanying copy of the Rules, under Act II of 1886, issued by the Resident in Mysore.

Encl. B 653-39 in file 80/1886 Serial No 3

I have the honor to be,

Sir,

Your most obedient Servant,

E. [illegible]

Assistant Resident.

C.K.J. 29/3/87.

Post 30/3/87

30/3/87

1 To the Chief Secy to the Govt of Madras with 4 spare copies.
2 " " " " of Bombay — do —
3 Secretary " " of Bengal — do —
4 " " " of N.W. Pard. Oudh.
5 " " of Punjab.
6 " " Chief Commr of Central Provinces
7 " " " of British Burmah.
8. " " " of Assam.
9 " " " of Ajmere.
10 First Asst to the Resident at Hyderabad.
11. Agent to the Governor General Rajputana.
12. " Central Indian Ag
Indor
13 Commissioner of Sind.

4 7

FOREIGN DEPARTMENT INDIA

Simla
The 15th April 1887.

Dear Sir

If available, will you kindly send us 20 more copies of the printed enclosure to Fitz-Patrick's No. 1076/5116, dated the 2nd April 1887, regarding the Income Tax Act.

S. 3.

S. no 5

Yours truly
H. Barkley

20 copies sent up.
Please file the receipt to
Stock application 100.
H.P. 25/4/87

Major D. Robertson,
Assistant to the Resident in Mysore

Recd Rs. Stock off 100 copies
H/27-4-87

27/4/87

3

Serial No.

RESIDENT'S OFFICE.

[DRAFT.]—For approval.

~~No.~~

Dated 28 April 1887 ~~To~~

Dear Mr. Forbes.

In compliance with the

S. 7. Request contained in your letter of the 15th current, I forward (by packet post) 20 copies of the

S. 3. Notification, under the Income Tax Act, to which you refer.

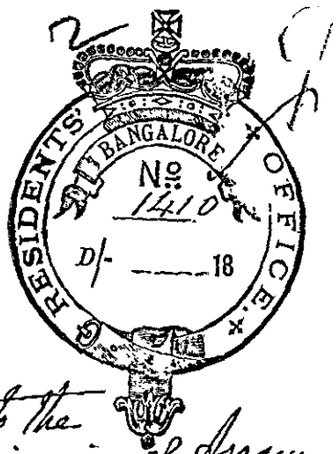
Yours truly

Signed / D. Robertson.

To

G. Forbes Esqre C.S.

Offg: Under Secretary



No. 1745

From,

The Secretary to the
Chief Commissioner of Assam,

To,

The Assistant to the
Resident in Mysore,

Current Deptt.
Revenue Branch.

Dated, Shillong, the 15th April 1887.

Sir,

I am directed to acknowledge with thanks, the receipt of a copy of the Rules framed under act II. of 1886 by the Resident in Mysore forwarded under cover of your letter No. 1078—90/6/16 dated the 2nd April 1887.

S.6.

I have the honour to be,
Sir,
Your most obedient servant,

Asst. Secretary

Assistant Secretary for Secy. to the
Chief Commissioner of Assam

may be filed

C.M.S.
2/5/87.

15/4